

**A State-of-the-Art Tool for Gaining Financial Clarity, FlexScore Gamifies Financial Advice and Empowers People to Take More Control of their Financial Lives through Customized Goals, Action Steps and Peer Ranking**

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**Jason Gordo  
CEO**

**BIO:** In addition to being the co-founder of FlexScore™, and co-author of the book *FlexScore, Financial Advice for the Rest of Us*, Gordo is also co-founder of Valley Wealth, Inc. with his partner Jeffrey Burrow. The two met early in their careers while working for Wall Street firms. Both found themselves disenchanted with the Wall Street culture of salesmanship, rather than stewardship, and believed they could provide a better service to their clients by putting the client first, rather than focusing on selling investment and financial products. In 2008 they partnered and started Valley Wealth, Inc., a fee-based financial planning and investment firm recognized by Forbes Magazine on the Top 50 Emerging Firms list.

Today, the dynamic duo of Gordo and Burrow are taking it to the next level. They have created FlexScore, an online assessment tool that allows anyone to get a clear, concise and accurate view of their financial situation. The two have taken everything they have learned throughout their careers, and built a tool to help simplify financial planning for everyone. FlexScore is comprised of multiple factors the Certified Financial Planner Board of Standards agrees should be monitored by consumers, and is based on a patented algorithm the partners created.

**About FlexScore:**

FlexScore is a state-of-the-art tool that gives users financial clarity. It is an entirely new system that empowers people to take more control over their financial lives. Your FlexScore is a number that encompasses everything you own, everything you owe and everything you are doing with your money—all based on the goals you set for yourself.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Gordo, FlexScore is “Providing financial advice for the rest of us.” What does your company do?

**Mr. Gordo:** We have taken a very boring and stale subject that very few people want to tackle - financial planning - and we have gamified the process. People come on the site and tell us a little bit about themselves. They enter some financial data and goals. Then, based on that information, the user receives a custom score that tells him or her how

well they are doing financially based on their goals. Next, the site gives them customized “Action Steps” on what to do to achieve the financial goals that they have set. There is also a really cool peer ranking component that allows users to see how well they have done financially compared to their peers. We call this “staying ahead of the Joneses”. There, the user can see where he/she ranks compared to one hundred people in the peer group based on age, income and location.

**CEOCFO:** Gamifying financial planning is an interesting concept. On the other hand, do people who really care about financial planning want to approach it that way? Why do you feel that is the way to engage people, even though it might be on many other topics?

**Mr. Gordo:** Actually, it is a great question. The reason that we believe and have been able to demonstrate early success in a gamified approach to financial planning is this: Wall Street does a very good job working with the top seven to ten percent of the wealthy in our country. They do not believe that they can monetize or profitably help the average American. Therefore, the average American is left out to sea by themselves, wondering what to do with that old 401K plan or whom they can trust and whom they can talk to. That is because Wall Street has done a very good job of selling themselves to the wealthy and not to the average American. We believe that everyone needs, deserves, and should have access to really good advice. Our tool is free to the user. They can get their score, their action steps and their peer

ranking as well as entry into a very robust learning center. I will talk about the learning center in a little bit. We believe that the gamification piece is what is really missing when it comes to Middle America and how well they can do financially. We all know “about” where we stand, but we do not know what to do to get moved to the head of the line. What are the next steps that I need to take to achieve financial success, as defined by me, not defined by some Wall Street firm or some financial advisor that sits in an office with a mahogany desk and a bunch of plate glass windows in it? The gamification aspect of it allows the user to see an instant impact on their actions. Let us say I just tell you to put five hundred more dollars away a month. Alright, I am putting five hundred more dollars a month away, but what is it doing for me? It is not really helping to achieve goals. With our patented algorithm users can instantly see the impact of that good decision of putting more money away or paying down debt or completing their estate plan or putting a simple will together. They are rewarded instantly for taking the long-term financial steps, but they see the impact of it today through their improved score and how it changes by implementing our recommended actions.

**CEOCFO:** What is your business model? How does this translate into money for FlexScore?

**Mr. Gordo:** We have three direct ways to monetize the business today and this is what we are focused on. Number one; for the end consumer the product is free. However, with those action steps, oftentimes you need another partner to provide the fulfillment of that action item. Let us say that you have a mortgage that is six and a half percent today, and there is equity in your home and you can refinance to a five percent mortgage. We do not do mortgage work. However, we could refer you to a mortgage provider such as a national lending company like Lending Tree or Wells Fargo or Bank of America, which would help to execute that new mortgage and then we would be paid on a revenue sharing or lead

generation basis on the end consumer. That goes for asset management, life insurance, mortgage and other debt. There are plenty of opportunities for a user to get engaged with an outside venture that would pay us for that lead generation of that referral opportunity. That is one way. The second way is enterprise licensing where we would license the product to large banks, brokerages and credit card companies across the country. Then, they would roll it out to their users as an engagement tool, because that is really what the value and the horsepower is behind FlexScore. It is an engagement tool for the consumer. It keeps them constantly focused on doing the right thing financially. Then they want to know, “what can I do next to improve my score, so I am taking steps forward as I have outlined for myself what financial success means in the future.” Therefore, big banks,

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brokerages, financial planning companies and credit card companies look at this as a way where they can build brand engagement and product engagement over time and become that trusted source where a person can come back for good, solid, practical information. We now have an industry standard set based on the FlexScore; this patented algorithm that lets people know how well they have done or what they need to do to improve. The third category of monetization is the financial advisor community. Financial advisors across the country would license the product or tool. They would pay monthly licensing fees just as a software license and they would use the tool with their clients to change the discussion from “what happened to my portfolio in the stock and bond market in the last six months” to “how have I done overall financially.” That is because the most important conversation that advisors can have

with their clients is based on whether they are taking all of the steps necessary today to achieve financial independence; not what happened to the stock market, good or bad. Therefore, it is really a tool that will help the financial advisor community change the discussion to those items that are most important.

**CEOCFO:** Have you approached the various entities with whom you would like to partner?

**Mr. Gordo:** I have recently spoken at a number of conferences. I have been a panel member. I have been a presenter. I have demoed the product in front of large groups and I will tell you that while we have not reached out to big banks, brokerages and credit card companies they have reached out to us. We are having significant conversations today with a big bank, a big brokerage and a big financial planning company.

**CEOCFO:** What was the hardest piece of the technology to put together? What gave you a challenge?

**Mr. Gordo:** The time it takes to build anything is incredible. It takes twice as long and it takes twice as much money as you would imagine. What really has been our biggest challenge is building a product that we are proud of, building a product that works; building a product that engages the consumer, building a product that has all the horsepower that we wanted behind it in a timely fashion. Engineering has been the biggest issue. That has been the biggest hurdle. We have overcome that, and we are now at a point where we are proud of what we are presenting and we feel very comfortable with people using the tool. That is the biggest hurdle that we have faced.

**CEOCFO:** Would you tell us about the Learning Center?

**Mr. Gordo:** We know that when people are more financially literate they make better financial decisions. Our patented algorithm actually has a learning component built into it. Users are awarded points and their score will go higher if they take the opportunity

to learn. We have developed a number of videos around financial planning. They are based on basic things such as asset protection, diversification, budgeting and real big “boring” topics like inflation, for example. We do not use the word *inflation* and we do not have an economist to give us a three minute dissertation on what inflation is. We talk about hamburgers, French fries and milk shakes and the cost of those things going up over time to demonstrate that. A user can log into the site. They are presented with a series of videos that say, “If you take two minutes out of your life and you learn about inflation or diversification or savings or budgeting or insurance or estate planning or any of these topics you will earn some points.” We believe that building a strong base of financial literacy is important and that a user should be rewarded for spending the time educating themselves on those literacy topics.

**CEO CFO:** Does the user have to specifically ask for a referral or just by using the system will on the back end information would be provided?

**Mr. Gordo:** That is a good point. Let us go back to that mortgage example. It will be presented to you. It will say, “Lynn, you need to refinance your mortgage from a six and a half percent down to a five percent and XYZ Lending Company can help facilitate that. Click here to get started and you will be awarded, say, sixteen points for completing this mortgage refinance. The reason you would do this is you would now have more cash flow to contribute to other financial goals; whether it be to pay down a debt, pay off student loans, reduce credit card rates or invest for your future in your company, or start an IRA. Therefore, there is a purpose for the advice. You will be presented with a referral through that action step, but you are not required to fulfill that action step with one of our vendors in order to receive the points. In other words, if your neighbor “Joe” is a mortgage broker you could go to Joe, you could get the mortgage refinance done through your neighbor outside of our network, you just have to come back and tell us that you did it and you

will be awarded those points. We want it to remain independent and unbiased. We have a referral partner if you so choose to use that partner. You are not required to in order to use the full tool and get the points that would be associated with that refinance.

**CEO CFO:** What do the points get you?

**Mr. Gordo:** FlexScore’s points give you financial freedom. The score keeps you focused on long-term financial success. When you score one thousand points on our scale, based on a thousand point scale; when you score one thousand you do not have to go to work tomorrow if retirement is your goal. You have reached financial success as defined by you, the user. You are now financially able to accomplish everything that you have ever set out for yourself in life. Whether it is to buy a bigger home or a second home or educate the children or grandchildren or get to a point where your assets can generate an income that is sufficient to sustain you for the rest of your life, those points get you to success.

**CEO CFO:** I understand you are going for anyone below the wealthy, but is there a particular demographic that you are going after? How are you reaching the consumer, which is the starting point for you or at least at this moment?

**Mr. Gordo:** We are going after a particular demographic. We are going after twenty five to fifty four year olds who are female. We are not exclusive to females, but that tends to be the demographic that is an online consumer of financial services and products. Therefore, that is our target demographic. The way that we are reaching them today is crazy. When I started in this business thirteen years ago social media did not exist. It was “pick up the phone and cold call people.” That was how you earned business over time. Today, that does not work and social media does. Therefore, we have a big presence in the social media space. We have a director of social media that works for us, Sarah Buhr, and she does an excellent job. It is Facebook, Twitter,

Google +, it is networking with social groups online and spreading the word. That is really how we have been able to meet a number of consumers and transition them from “liking” us to doing business with us. That is really the trick to online today. In addition, we have written a book. You can get it on Amazon. It is called “FlexScore, Financial Advice for the Rest of Us.” The book has been a great way for us to show what the product is. We have demonstrated through the book some case studies where people can see, “here is a story that is kind of similar me and relates to me,” but it outlines the whole product and the process and the way it works and why it works and why it is valuable to the user. We have a patented algorithm. We have this book. We come from a background of Wall Street. I started at Smith Barney. My business partner Jeff Burrow started at Morgan Stanley. We have spent a number of years in those big Wall Street firms. Therefore, we really understand what Wall Street is looking for and we know that it is not the average American. That is not who Wall Street is trying to help. They are trying to help the wealthy and that is where they remain focused. That is really the only opportunity that they see to monetize a consumer. We believe that the average American wants, needs and deserves good financial advice. That is what FlexScore does.

**CEO CFO:** What were the one or two things that you learned when people started using FlexScore that you needed to change?

**Mr. Gordo:** Terminology. Again, we come from a big Wall Street background and we wanted to speak in “financial speak” and not in the average American style. Therefore, one of the “disconnects” that we had was the way that we would phrase things. Therefore, we brought in some people to help figure out how to ask questions and what to say on the site, so that it was not over the consumer’s head from a terminology perspective. Not that we don’t have exceptionally bright and brilliant people that use the site, but we are using terminology that comes from our industry and that is not how the average American

speaks. That was one hurdle that we had to overcome.

**CEOCFO:** What are the next steps?

**Mr. Gordo:** For the next steps, we demo at the Finovate conference in September. It is the world's largest financial technology conference and we have been fortunate enough to be asked to present there. Our next milestone is to get to one hundred thousand consumer users, work on a licensing deal with a big bank, brokerage or credit card company, then in the fall roll out our mobile platform as well as our financial advisor version of the product.

**CEOCFO:** Why should investors and people in the business community be paying attention to FlexScore, both as a company and as a service?

**Mr. Gordo:** People are paying attention to FlexScore because having access to good financial information is

difficult - even when you meet with a financial advisor.

If the average consumer out there had one hundred thousand dollars in investable assets and they met with five different financial advisors they are going to receive five very different pieces of advice. If you go to an insurance sales person, and I use sales person intentionally, you are going to be sold life insurance. If you go to a mutual fund manager you are going to be sold on their mutual fund. If you go to a stockbroker you are going to be sold whatever the stock of the day is that they are promoting. If you go to a bank broker you are probably going to be sold some form of a high commissioned product; whether it is an annuity or an A or B share mutual fund. If you go to an independent financial advisor you are going to be sold on financial planning products and then ultimately, a portfolio. What FlexScore does is it

brings a standard to the industry. It says, "These are the steps that your users or your consumers should be taking to improve financially based on "their" goals, not on your goals; Mister financial advisor, of putting money in his/her pocket. The financial services industry is riddled with sales people. That is not a bad thing. That is what my job is as a CEO. It is to be the head salesman of my company. However, when it comes to the financial services industry it is very easy to sell a client a product that is to the advisor's benefit and not the consumer's benefit. Therefore, FlexScore demystifies and decouples the sales process that Wall Street has engrained in the financial services space. We want to become the industry standard trusted source where you can truly measure how well you are doing or how poorly you are doing and get great advice on what to do to improve.

